

# Newsletter

## January 2023



- **Joint instruction no.240, dated 16.12.2022 for the determination of the investment value for obtaining the unique permit per investor.**
- **Tax alert on amendments to Law No. 9920, Date 19.05.2008 "On tax procedures in the Republic of Albania", as amended**

Katerina Kacani

## Joint instruction no.240, dated 16.12.2022 for the determination of the investment value for obtaining the unique permit per investor.

**B**ased on Article 69 of Law No.79/2021 the foreigner who meets the conditions set forth in the law is provided with a unique permit as an investor with a two-year term.



According to Joint Instruction No.240 dated 16.12.2022, The value of the investment for the economic activity, for the foreigner who is provided with a unique permit as an investor, should not be less than 10,000,000 (ten million) ALL ■



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## Tax alert on amendments to Law No. 9920, Date 19.05.2008 “On tax procedures in the Republic of Albania”, as amended

The Council of Ministers has approved several amendments to Law no. 9920, "On tax procedures in the Republic of Albania" which extends the effects starting from January 1, 2023:

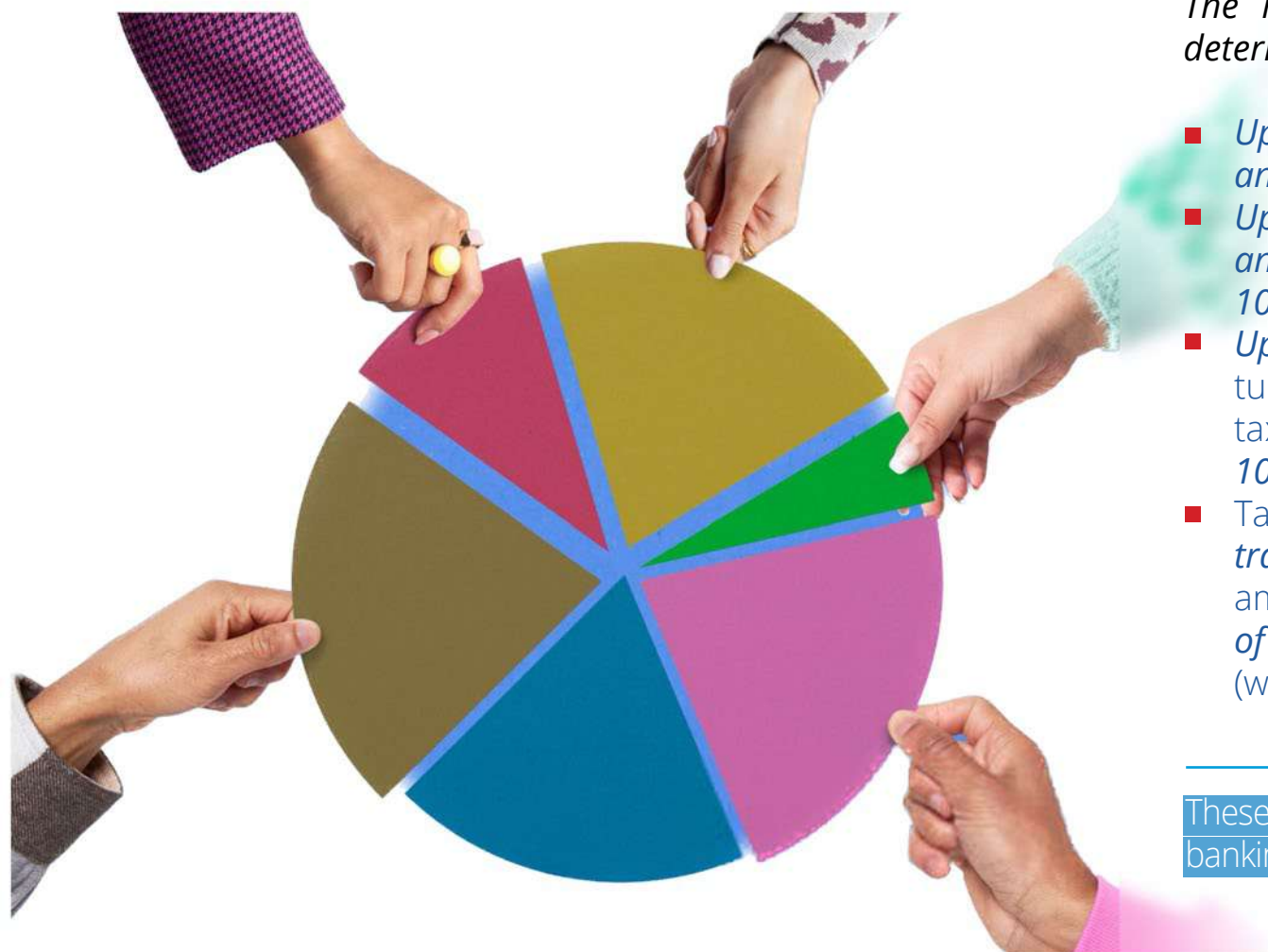
### **Article 59/2 Cash Register Limit**

The taxpayer can keep a certain amount of cash in their cash register at the beginning of each workday, up to a maximum amount calculated based on the taxpayer's annual turnover from the previous tax year.

*The maximum amount of cash allowed is determined as follows:*

- *Up to ALL 150,000 for the taxpayers with an annual turnover of up to ALL 2 million;*
- *Up to ALL 500,000 for the taxpayers with an annual turnover of over ALL 2 million to ALL 10 million;*
- *Up to ALL 500,000 or 5% of the annual turnover (whichever is higher) for those taxpayers with an annual turnover over ALL 10 million;*
- *Taxpayers who conduct currency exchange transactions can determine a maximum amount of cash up to ALL 5,000,000 or 5% of the previous year's annual turnover (whichever is higher).*

These rules do not apply to banks and other non-banking financial institutions.



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**Article 114/1  
Non-payment of  
tax installments  
on corporate  
profit and on  
personal income**

Failure to pay the advance installments of corporate profit tax and personal income tax from business and self-employment, according to the legislation in force on income tax, is punishable by a fine of 10% of the amount of the installment to be paid plus the late interest calculated for days in arrears, but not more than 365 days.

Taxpayers are required to report the initial amount of cash in their cash register to the tax authority, through an electronic connection before issuing their first invoice of the day.

**Article 112 Failure to meet the registration obligation**

In addition to the administrative sanctions provided for in the legislation in force, non-compliance with the obligation to register or the obligation to update taxpayer data is punished for each violation with a fine of ALL 10,000 for natural persons and ALL 15,000 for legal entities.

**Article 113 Failure to declare on time**

The taxpayer who does not submit the tax declaration within the deadline, as under obligation according to the law, is fined for each tax declaration not submitted on time, as follows:

- ALL 10,000 for taxpayers registered for Income Tax;
- ALL 5,000 for all the other taxpayers except for individual taxpayers;
- ALL 3,000 for individual taxpayers.



**Article 118 Failure to maintain accurate books, records, and documentation**

A taxpayer who fails to maintain the tax records and documentation required by this law is forced to pay a fine of ALL 10,000 for each violation, in cases where it is a natural person who carries out a commercial economic activity or a self-employed person and ALL 50,000 when it is a legal entity.

**Article 119, Failure to declare employees and concealment of salary**

Point 3: If the verification and control concludes that the taxpayer has hidden and has not declared the exact salary received by the employee, as a result of the employment relationship, the employer, in addition to the obligation to pay the appropriate amount of tax liability and contributions for the employee, calculated for the entire period in which the

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violation is proven to have been committed, shall be punished with a fine in the amount of:

- 200% of the obligation and contribution calculated for legal entity taxpayers;
- 100% of the obligation and contribution for all other taxpayers.

***Article 121 Finished Goods non-accompanied by the tax documents***

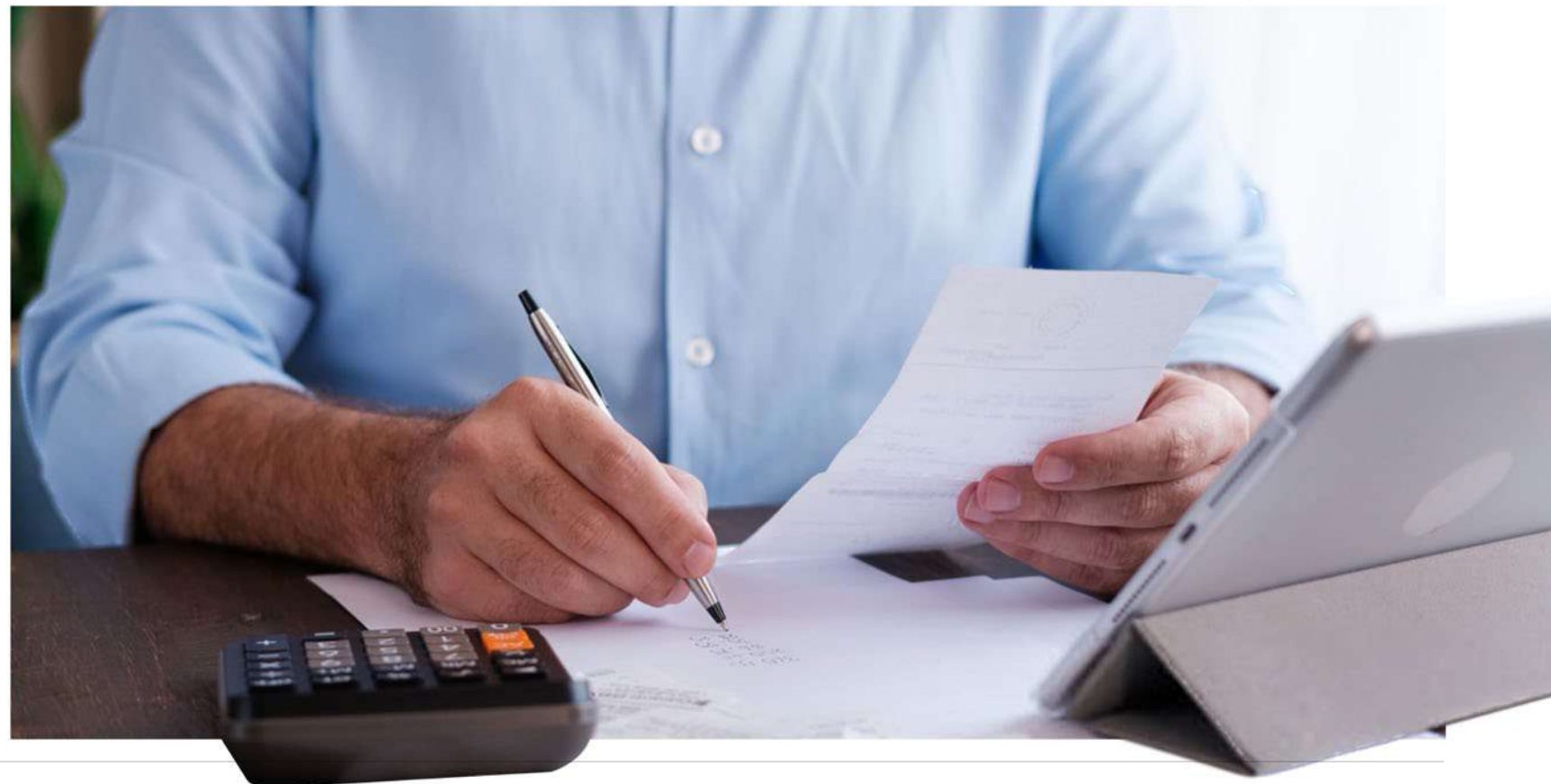
Taxpayers who keep, use or transport goods without tax documents can be punished with administrative fines, depending on their tax liability and business registration status.

- ALL 25,000 for taxpayers registered for personal income tax from business or

self-employment who are not registered for VAT and other taxpayers;

- ALL 50,000 for taxpayers registered for personal income tax from business or self-employment who are registered for VAT, but not less than the value of the missing VAT;
- ALL 750,000 for taxpayers registered for corporate income tax, but not less than the value of the missing VAT;
- ALL 50,000 for individuals carrying out unregistered commercial economic activity.

The value of the missing VAT is determined by the tax administration at the time of the violation, based on the market price of the goods found without an invoice.



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### **Article 124 Violations in the issuance of invoice**

The person who is subject to the issuance of the invoice or the accompanying invoice, and does not issue it, is subject to fines as follows:

- ALL 25,000 for taxpayers registered for personal income tax from business or self-employment, but who are not registered for VAT, and other taxpayers;
- ALL 50,000 for taxpayers registered for personal income tax from business or self-employment and for VAT;
- ALL 75,000 for taxpayers registered for corporate income tax.

### **Article 127 Obstructing a tax audit or investigation**

Taxpayers who obstruct a tax audit or investigation shall be fined as follows:

- ALL 100,000 for taxpayers classified as commercial or self-employed natural persons;
- ALL 1,000,000 for taxpayers classified as entities or individuals with high wealth.■





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- and Privatization Commercial
- Tax
- ▶ Set Up Business in Albania
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- Aviation
- Administrative Procedures and Appeals

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- Insolvency - Restructuring
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